

# BALANCE OF CONTRACT



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## Check List For A Successful Balance Of Contract Payroll

### Group Employees

- ☐ Using the Payroll Group Definitions (PAI.251) alone or in conjunction with Category Codes (EIS.121), identify the employees who will be included on the Balance of Contract payroll.
- ☐ Update the employee basic information if using Group Definitions alone, or update the employee category information if using categories as part of the group definition.
- ☐ Suggestion - Use the Employee Group Report (PAY.518) to print a listing of the employees included in the balance of contract group and double check everyone is included.

### Assignment Addenda's

- ☐ Check your Assignment Addenda's - Assignment Addenda's will pay X's the number of checks being paid on the balance of contract. For example, the addenda is \$6 and the balance of contract is six (6) pays then the addenda amount paid on the balance of contract amount will be \$36.00. If you only want it to pay the \$6.00 you will need to change the addenda amount to be \$1.00.

### Check Voluntary Deductions

- ☐ Voluntary deductions with a number of remaining deductions less 999 checks to be paid will be finalized. "Finalized" means that the amount to deduct each pay will be multiplied by the number of deductions remaining.
- ☐ Voluntary deductions that have 999 checks remaining will only be deducted the number of times that there are checks remaining on the contract.
- ☐ Set up addition Retirement Buy Back deduction for those employees that need them.

## Beware of Fica Exempt Deductions

☐ Deductions that are exempt from FICA are not handled properly on the payroll processor for the balance of contract payroll in some instances. The easiest way to avoid the problem is to pay off these deductions BEFORE the balance of contract payroll.

☐ If you do not pay off these deductions prior to the balance of contract payroll, you may have to change this deduction amount and/or number of remaining checks. For example: An employee has \$30.00 deducted each pay on a FICA exempt deduction. There is one payment left on this. The balance of contract for this person is for 6 regular checks. Change this voluntary deduction to deduct \$5.00 (1/6 of \$30.00) . Use the Employee Maximum field if the amount does not divide evenly. The number of checks remaining on the Fica exempt deduction must be the same as the number of checks remaining on the contract being finalized.

FOR ALL VOLUNTARY DEDUCTIONS THAT AFFECT FICA TAX, SUCH AS SECTION 125, BE SURE THAT THE NUMBER OF DEDUCTIONS REMAINING EQUALS THE NUMBER OF CHECKS REMAINING ON ALL ASSIGNMENTS THAT WILL BE FINALIZED. IF THEY DO NOT, YOUR QUARTERLY REPORTS AND W2'S MAY BE INCORRECT.

## A Note on Federal/State Tax Exempt Deductions

☐ This type of deduction will work correctly. For example: There are 2 annuity payments left at balance of contract time There are 6 checks left on the contract to be paid off. Federal Tax withheld and the "Subject To" wages will be 2 times what a normal check would be WITH the annuity, plus 4 times what a normal check would be WITHOUT the annuity.

## Docks

☐ It appears that all of the issues with the docks have been corrected. Be sure to balance your payroll and to pay particular attention to those employees that have docks.

## More than One Contract to Pay Off For An Employee?

☐ If the employee has more than one contract to be finalized, the number of checks remaining MUST be the same for each one. If not, the retirement and FICA deductions will be incorrect. Use the Employee Assignment screen (PAY.345) to update the number of checks to be paid on one of the assignments to match the other. Make sure that the number of checks to be paid minus the number of checks already paid equals the same number for both assignments. You may want to run the Employee Contract Balance Listing (PAY.530A) to verify the number of checks for your employees.

## No Time Sheet Entry

☐ Do not include any time sheet hours on the balance of contract payroll. FICA amounts will be incorrect.

## Select Correct Payroll Processing Options

☐ Make sure that the maximum check allowed on this payroll is enough to cover the balance of contract payment.

☐ You may want to turn off Direct Deposit so you can hand the check to the teachers when they check out.

☐ Do not enter x times deduction amount. It will take x times the voluntary deduction amount, but throws off retirement deduction for employer and employee by taking x times that deduction also.

## Run Pro Formas!

It won't need to be fixed if it isn't broken. Now that you are aware of the potential problem areas, run Pro Formas and double check these items BEFORE running the actual payroll!

☐ Check for Unpaid Employees.

☐ Balance your Fica and Medicaid "Subject To" wages to your proforma.

☐ Balance your Federal Tax "Subject To" wages to your proforma.

☐ Look at your Employee Checks Detail Listing (PAI.625) - check voluntary deduction amounts carefully!

## Group Those Employees

You can group employees by using the Payroll Group Definitions alone or in conjunction with the category codes.

### Using Payroll Group Definitions (PAI.251)

When using the group definitions alone you may use any of the fields on the basic screen to tie employees together. When doing this any it will **ONLY** select those who have that value in that field.

Midrange Workspace Session 2 - NS/Elite Display

Session Edit View Tools Macro Help

2/22/01 FY 00 GECK1 CLIENT TESTING 12:36:22 MCSS19902  
EMS Employee Group Definition Ref: PAI.251 .12

Employee Group: BOC26  
Description: BALANCE OF CONTRACT 26 PAYS

Basic Information	Value Selections	Order
Sex:		
Ethnic Code:		
Employee Status:		
Principal Job Code:	CERT CLASSROOM TEACHERS	
Permanent Address 1:		
Address 2:		
City:		
State:		
Zip Code:		
Zip 2:		
Country:		
Phone Number:	( )	
Phone Security:		

Mode: Lookup Cancel? N

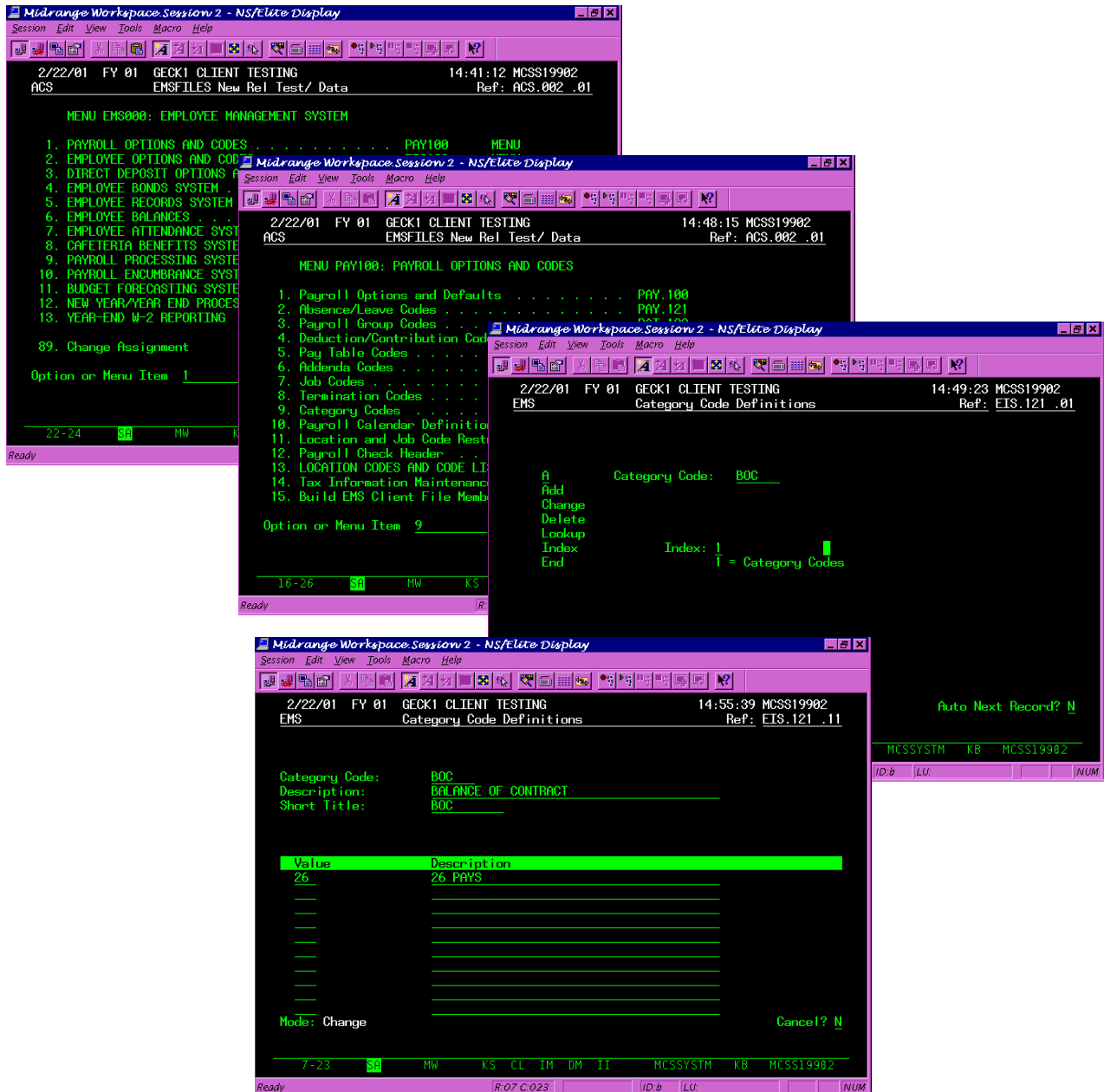
12-45 SA MW KS CL IM DM II MCSSYSTEM KB MCSS19902

Ready R:12 C:045 ID:b LU: NUM

In this example we have selected every employee who has CERT entered in the field Principal Job Code on their Basic Screen (EIS.301). There is no sort order so it will default to sorting by Social Security Number.

## Using Category Codes (EIS.305H)

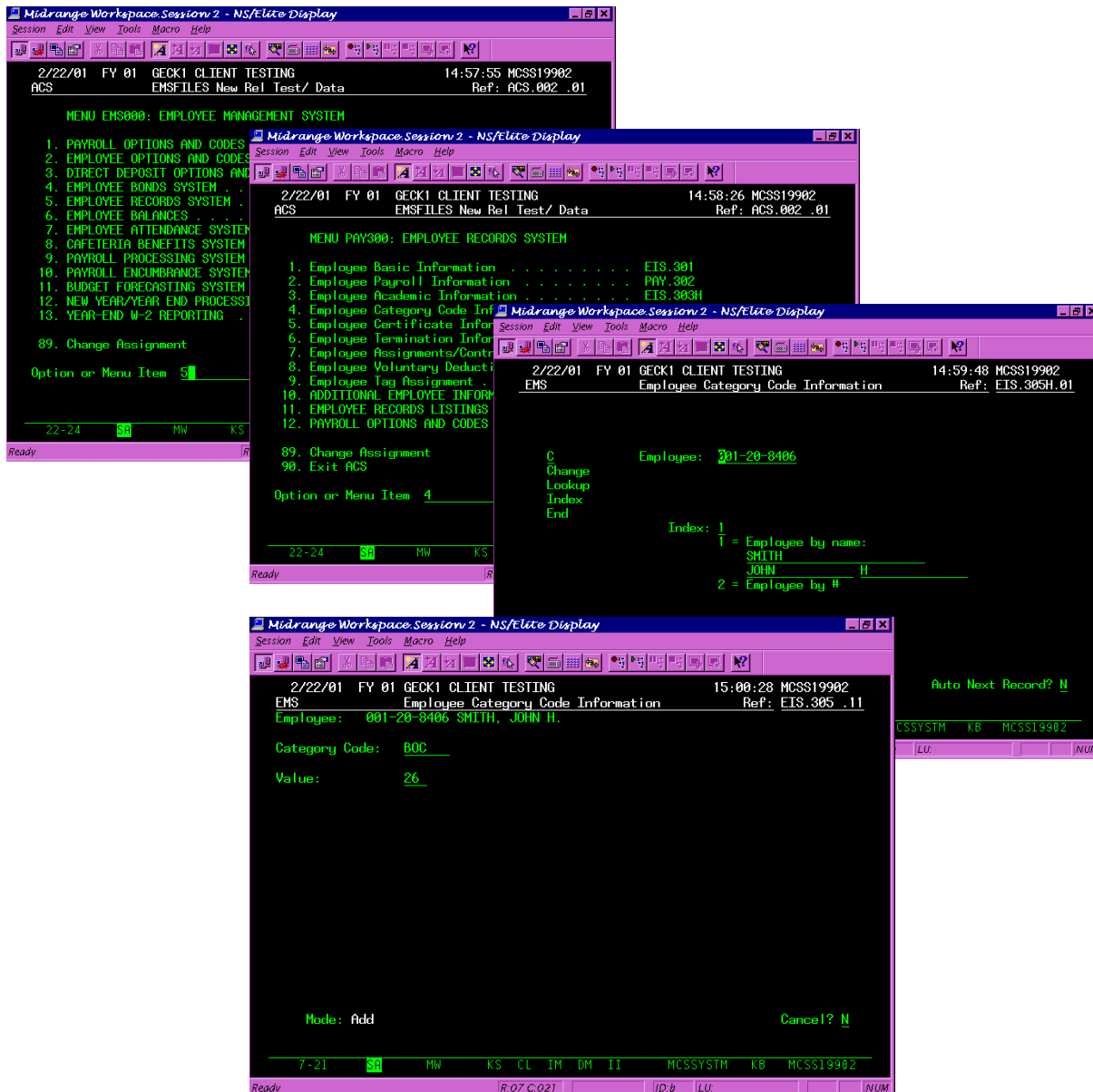
Another option is group the employees by category code. This is a little more labor intensive but it will allow you more flexibility in the people that are selected.



### Set up Category Code (EIS.121)

1. Give it a general description
2. Give it a value

There can be more than one value to each category code.



### Assign Category Code to Employee (EIS.305H)

1. You will have to do a Change even though there never was a category code assigned to this employee.
2. Make sure that the value you assign is the same for all of the employees you want in your balance of contract.





### Set up Group ID (PAI.251)

1. Give group name that you will remember
2. Select Order of Group
3. On the Third Screen Enter the Category Code and Value for this group



Print a group listing (PAY.518) and verify that all employees you wanted are listed.

## Assignment Addendas

Midrange Workspace.Session 2 - NS/Elite Display

Session Edit View Tools Macro Help

2/22/01 FY 01 GECK1 CLIENT TESTING 16:06:31 MCSS19902  
 EMS Employee Assignments/Contracts Ref: PAY.345 .13  
 Employee: 1-20-8406 SMITH, JOHN H.  
 Job Code: DRIVER BUS DRIVER  
 Deductions/Contributions:  
 WCOMP WORKMEN'S COMP HIGH RISK RET2 AZ STATE RETIRE CLAS 2.85  
 RETLTD AZ STATE RETIRE LTD .49%  
 Federal: Y FEDERAL WITHHOLDING TAX State: AZ ARIZONA STATE TAX  
 FICA: Y Y FICA (SOCIAL SECURITY-6.20 County: Local: Other:  
 Leave/Absence: Leave accrual FTE: 100.0000  
 JURY JURY DUTY  
 Addenda:  
 Additional Assignment Addenda: Y  
 Mode: Change F3=Exit F4=Index F5=Reset  
 F6=Basic Info. F7=Payroll Info.  
 18-6 SA MW KS CL IM DM II  
 Ready R.18 C.006

Assignment  
Addenda's are  
flagged yes here.

Midrange Workspace.Session 2 - NS/Elite Display

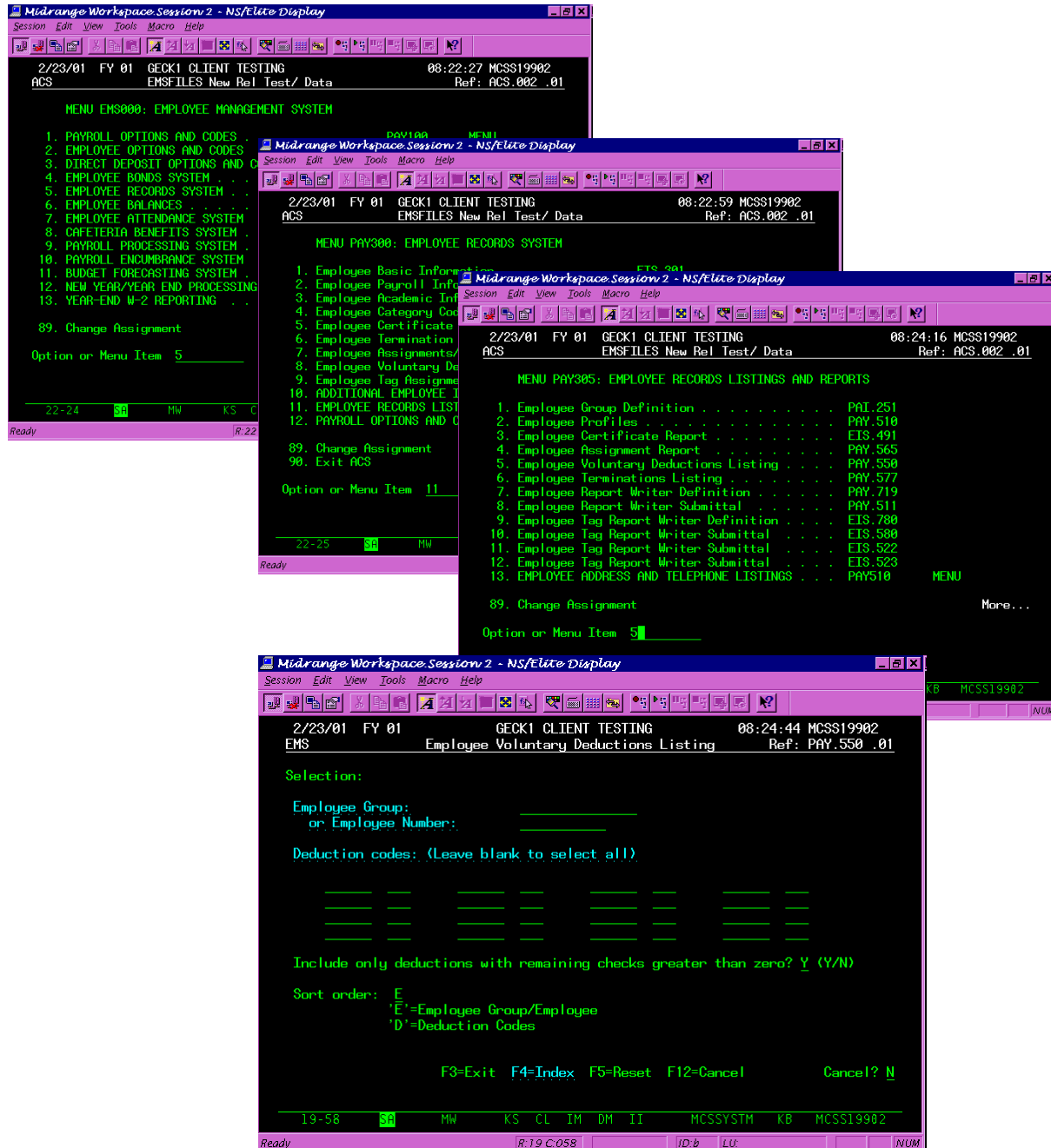
Session Edit View Tools Macro Help

2/23/01 FY 01 GECK1 CLIENT TESTING  
 EMS Employee Assignments/Contracts  
 Employee: 001-20-8406 SMITH, JOHN H.  
 Job Code: DRIVER BUS DRIVER  
 CMD Addenda Description Dates  
 BEGIN  
 1.00  
 Addendum: COACH Optional effective dates: 7/01/00 to 6/30/01  
 Amount: 6.00 Plus .0000 % of Base Salary  
 Account Code: 001.610.1000.6112.200.000.0000 Encumbered?: N  
 Description: F3=Exit F4=Index F5=Reset F12=Cancel Cancel? N  
 21-76 SA MW KS CL IM DM II MCSSYSTN KB MCSS19902  
 Ready R.21 C.076 ID:b LU: NUM

You can inactivate  
by having the end  
date prior to the  
Balance of Contract  
date.

- Check your addenda's.
- If active, remember that you will be paying it times the number of checks remaining in the contract.
- If the district only wants to pay one times this amount you will need to divide by the number of checks remaining in the contract and enter that amount.

## Check Voluntary Deductions



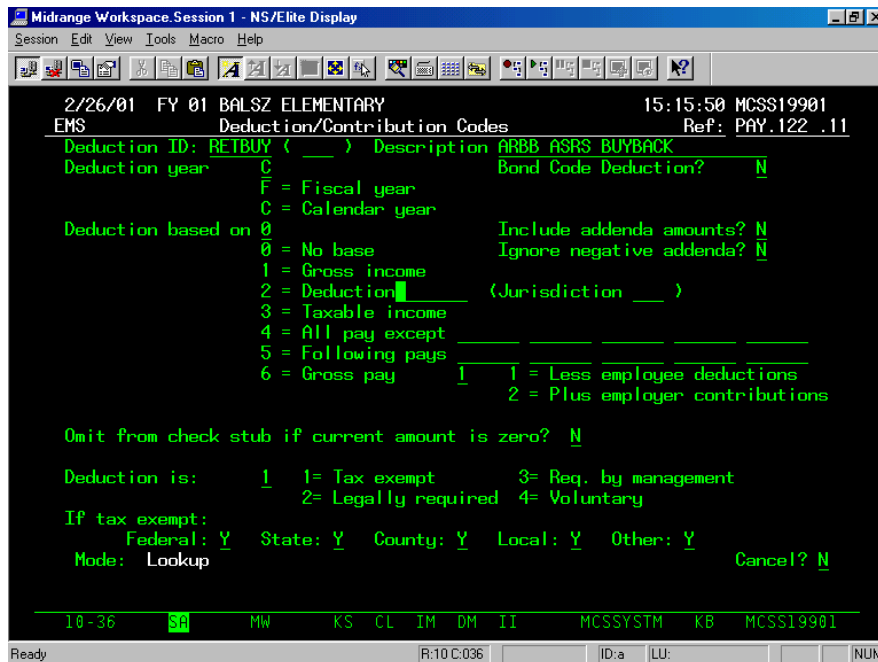
### Run Deduction Report (PAY.550)

- Can use same group that used for Balance of Contract
- List Deductions Codes wanted
- Defaults to list only those with checks remaining
- Can sort by deduction or employee name

Voluntary deductions with a number of remaining deductions less than the number of checks to be paid will be finalized. "Finalized" means that the amount to be deducted each pay will be multiplied by the number of deductions remaining.

Voluntary deductions that have 999 checks remaining will only be deducted the number of times that there are check remaining on the contract.

## ASRS Buyback



Midrange Workspace.Session 1 - NS/Elite Display

Session Edit View Tools Macro Help

2/26/01 FY 01 BALSZ ELEMENTARY 15:15:50 MCSS19901  
 EMS Deduction/Contribution Codes Ref: PAY.122 .11

Deduction ID: RETBUY ( ) Description ARBB ASRS BUYBACK  
 Deduction year C Bond Code Deduction? N  
 F = Fiscal year  
 C = Calendar year

Deduction based on 0 Include addenda amounts? N  
 0 = No base Ignore negative addenda? N  
 1 = Gross income  
 2 = Deduction (Jurisdiction )  
 3 = Taxable income  
 4 = All pay except  
 5 = Following pays  
 6 = Gross pay 1 = Less employee deductions  
 2 = Plus employer contributions

Omit from check stub if current amount is zero? N

Deduction is: 1 1= Tax exempt 3= Req. by management  
 2= Legally required 4= Voluntary

IF tax exempt:  
 Federal: Y State: Y County: Y Local: Y Other: Y  
 Mode: Lookup Cancel? N

10-36 SA MW KS CL IM DM II MCSSYSM KB MCSS19901

Ready R:10 C:036 ID:a LU: NUM

- Set up additional Retirement Buy Back Deductions if needed.
- You will need a separate deduction code for each deduction taken. For example RETBY1, RETBY2 etc.
- You must use "ARBB" at the beginning of each deduction description or ASRS will receive the information.

Midrange Workspace.Session 2 - NS/Elite Display

Session Edit View Tools Macro Help

2/26/01 FY 01 GECK1 CLIENT TESTING 15:26:50 MCSS19902

EMS Employee Voluntary Deductions Ref: PAY.350 .11

Employee: 001-20-8406 JOHN H. SMITH

Deduction Code: RETBY1 ARBB - RET BUYBACK 1

Deduct: 100 Plus: .0000 % of GROSS from following jobs:

Employer pays: Plus: %

Make deduction on next 1 checks OR deduct entire net check amt (Y/N)?: N

Delete this voluntary deduction after number of checks has reached zeros?: N

Effective dates are from to

Direct Deposit (P/Y/N): N Deduction Priority: Z

Employee Bank ID: CONNUMBER

Maximum Per Period: \$ Employer \$ Employee

Maximum Per Year:

Maximum Per Lifetime:

Mode: Add F3=Exit F4=Index F5=Reset F12=Cancel Cancel? N

F6=Basic Info. F7=Payroll Info. F8=Assignments

17-37 SA MW KS CL IM DM II MCSSYSTH KB MCSS19902

Ready R:17 C:037 ID:b LU: NUM

- A separate deduction code has to be used for each deduction made.
- Be sure to include the contract number on the deduction.
- Use (1) one so the deduction will be finalized.



## Beware of FICA Exempt Deductions

In some instances, deductions that are exempt from FICA are not handled properly on the payroll processor for the Balance of Contract. The easiest way to solve this problem is to pay them before the balance of contract.

If that is not possible you will want to change the deduction amount so that it equals the number of checks remaining. For example: An Employee has one \$30.00 FICA exempt deduction left. Change this deduction by dividing by the number pays (6) on balance and enter that amount (\$5) for that number of pays (6). If the item does not divide evenly then enter an Employee Maximum amount.

## Federal and State Deductions

These types of deductions work correctly. For example you have a TSA deduction with two remaining deductions. The Federal "Subject to" wages will be two times what a normal check would be WITH the annuity and four times what a normal check would be WITHOUT the annuity.

## Docks

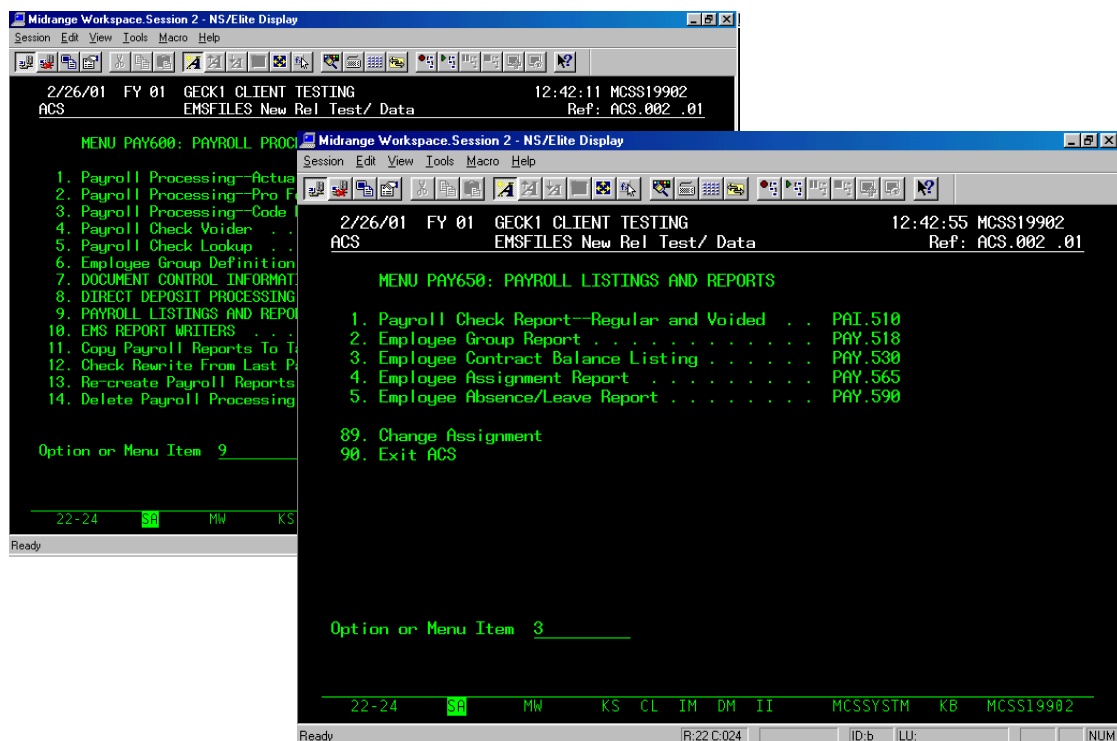
It appears that all of the issues with the docks have been corrected. Be sure to balance your payroll and to pay particular attention to those employees that have docks.

## No Timesheet Entry

Do not include any payments through time worked or the FICA amounts will not come out correct.

## Multiple Contracts to Pay Off

If an employee has more than one contract to pay off they must have the same number of pays remaining of the Retirement and FICA deductions will be incorrect. You may run the Contract Balance Listing to verify this.



## Select Correct Payroll Processing Options

Midrange Workspace.Session 2 - NS/Elite Display

Session Edit View Tools Macro Help

2/26/01 FY 01 GECK1 CLIENT TESTING

EMS Payroll Processing--Actual and Pro Forma

Processing ID: BOC Unique Processing ID just for Balance of Contract

Description: BALANCE OF CONTRACT

Payroll Run Type: 9 (1=ACT 9=PRO)

Employee Group: BALANCE CONTRS BALANCE OF CONTRACT FOR SEASON

or Employee Number: \_\_\_\_\_

Checks To Be Dated: 053001 For The Period Ended: 053101

Voucher Number: 1234

Bank Information

Standard Checks	Bank	Account	Form
Direct Deposit Checks			
Net Deductions Checks			

Minimum Allowable Check: 1.00

Maximum Allowable Check: 10000.00 Make sure Maximum Allowable high enough to cover all checks

Suppress Absence Accrual?: N Print Absence Summary on Checks?: Y

Direct Deposit Active?: N

Contract Days To Be Paid: N (Use only if not standard days)

Days/Weeks Active?: N

F4=Index F5=Reset F12=Cancel Cancel? N

You may want to turn off so the checks can be distributed during check out.

Ready R:06 C:035 ID:b LU: NUM

Midrange Workspace.Session 2 - NS/Elite Display

Session Edit View Tools Macro Help

2/26/01 FY 01 GECK1 CLIENT TESTING 13:09:01 MCSS19902

EMS Payroll Processing--Actual and Pro Forma Ref: PAI.600 .16

Processing ID: BOC BALANCE OF CONTRACT

Select one of the following:

Finalize Contracts? Y (Y/N)

Pay 1 times the normal pay amount.

Select one of the following:

Deduct amount by the number of checks to be paid? Y (Y/N)

Deduct 1 times the amount

Finalize voluntary deductions? N (Y/N)

Print the following message on checks? N (Y/N)

Do not enter X times amounts. It will calculate incorrect FICA amounts.

Mode: Add F3=Exit F4=Index F5=Reset F12=Cancel Cancel? N

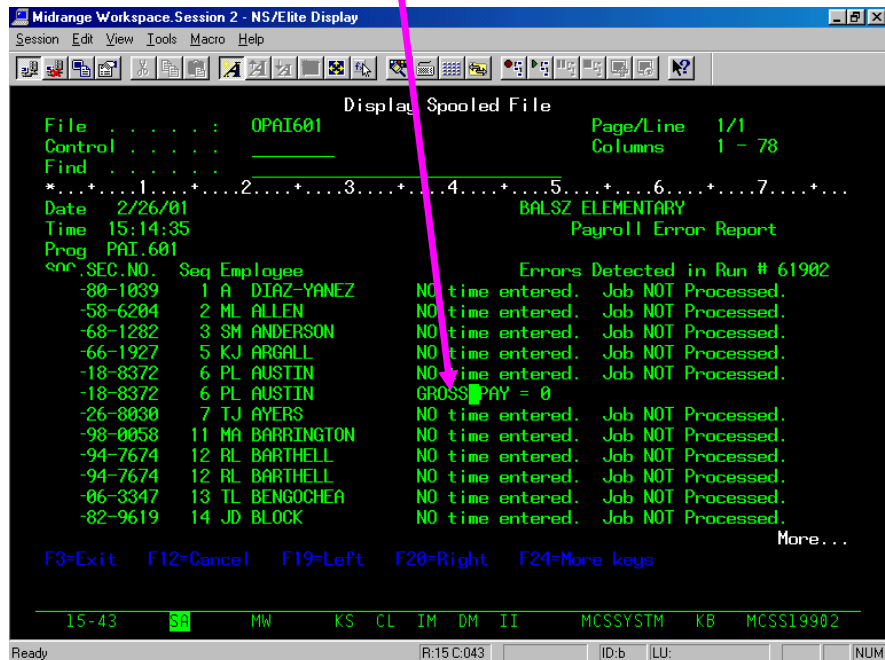
15-45 SA MW KS CL IM DM II MCSSYSTEM KB MCSS19902

Ready R:15 C:045 ID:b LU: NUM



## Run Proformas!

Check for unpaid employees (PAI.601)



```
Midrange Workspace Session 2 - NS/Elite Display
Session Edit View Tools Macro Help

Display Spooled File
File . . . . . : 0PAI601                      Page/Line 1/1
Control . . . . . :                          Columns 1 - 78
Find . . . . . :
*...+...1...+...2...+...3...+...4...+...5...+...6...+...7...+...
Date 2/26/01                                BALSZ ELEMENTARY
Time 15:14:35                                Payroll Error Report
Prog PAI.601
snr SEC.NO. Seq Employee                      Errors Detected in Run # 61902
-80-1039 1 A DIAZ-YANEZ                      NO time entered. Job NOT Processed.
-58-6204 2 ML ALLEN                          NO time entered. Job NOT Processed.
-68-1282 3 SM ANDERSON                      NO time entered. Job NOT Processed.
-66-1927 5 KJ ARGALL                        NO time entered. Job NOT Processed.
-18-8372 6 PL AUSTIN                        NO time entered. Job NOT Processed.
-18-8372 6 PL AUSTIN                        GROSS PAY = 0
-26-8030 7 TJ AYERS                          NO time entered. Job NOT Processed.
-98-0058 11 MA BARRINGTON                   NO time entered. Job NOT Processed.
-94-7674 12 RL BARTHELL                     NO time entered. Job NOT Processed.
-94-7674 12 RL BARTHELL                     NO time entered. Job NOT Processed.
-06-3347 13 TL BENGOCHEA                   NO time entered. Job NOT Processed.
-82-9619 14 JD BLOCK                        NO time entered. Job NOT Processed.
More...

F3=Exit F12=Cancel F19=Left F20=Right F24=More keys

15-43 SA MW KS CL IM DM II MCSSYSTM KB MCSS19902
Ready R:15 C:043 IID-b LU: NUM
```

Check your deduction summary registers (PAI.681S)



```
Midrange Workspace Session 2 - NS/Elite Display
Session Edit View Tools Macro Help

Display Spooled File
File . . . . . : 0PAI681S                      Page/Line 1/2
Control . . . . . :                          Columns 1 - 78
Find . . . . . :
*...+...1...+...2...+...3...+...4...+...5...+...6...+...7...+...
PROG - PAI.681S                                BALSZ ELEMENTARY
DATE - 2/26/01                                Deduction Register Summary
TIME - 15:37:58                                For Period Ending 2/16/01 ALL

Deduction                                     Code      Employee Employer
                                                Amount    Amount
ARIZONA CENTRAL CREDIT UNI                ACCU              100.00      .00
ARIZ FEDERAL CREDIT UNION                 AFCU               50.00      .00
AM FAM LIFE ASSUR - POST T                AFLAC             109.84      .00
ARIZONA FED OF TEACHERS                   AFT              1,440.85      .00
UNITED DENTAL - PRETAX                    AHP               357.79      .00
AM PUBLIC LIFE - POST TAX                  AM PUB            44.13      .00
ARIZONA EXTRACURRICULAR                   AZEXTR            61.03      .00
US BOND $50                               BOND1             100.00      .00
US BOND $25                               BOND2             275.00      .00
More...

F3=Exit F12=Cancel F19=Left F20=Right F24=More keys

3-22 SA MW KS CL IM DM II MCSSYSTM KB MCSS19902
Ready R:03 C:022 IID-b LU: NUM
```

Check your check detail listing (PAI.625)

Midrange Workspace.Session 2 - NS/Elite Display

Session Edit View Tools Macro Help

Display Spooled File

File . . . . . : OPAL625

Control . . . . . : \_\_\_\_\_

Find . . . . . : \_\_\_\_\_

\*.....1.....2.....3.....4.....5.....6.....7.....\*

PROG - PAI.625

DATE - 2/26/01

TIME - 15:36:44

BALSZ ELEMENTARY

EMPLOYEE CHECKS DETAIL LISTING

FOR PERIOD ENDING: 2/16/01

ALL

ANITA DIAZ-YANEZ

-80-1039

Reference

Contract CLASS

VAN/CAR HOUR

2/23/01

Calendar

1,955.54

1,072.63

DRA

CONTRACTED 6-8 HOUR

VAN/CAR DRIVER

Total Pay

9,478.99

3,028.17

MAYO HEALTH LOW-PRETAX

RETIREMENT (2.17%)

VISION - PRETAX

FICA (SOCIAL SECURITY-6.20)

FICA (MEDICARE 1.45)

RETIREMENT DISABILITY

MAYO L

RET1

VISION

FICA US

FICA USX

RETLD

492.80-

65.71-

28.50-

155.42-

36.35-

46.42-

F3=Exit

F12=Cancel

F19=Left

F20=Right

F24=More keys

More...

25-2

SA

MW

KS

CL

IM

DM

II

MCSSYST

KB

MCSS19902

Ready

R:25 C:002

ID:b

LU:

NUM

## Balance FICA Wages

The screenshot shows the 'proforma Balance Sheet' in Microsoft Excel. The worksheet contains the following data:

	A	B	C	D
1	<b>Proforma Balance Sheet</b>			
2			Subject to Wages	
3	Adjusted Gross Payroll			
4	AHP			
5	Flex C			
6	Flex M			
7	Mayo			
8	Mayo L			
9	Pre 5			
10	Pre 10			
11	Vision			
12				
13	Maxed Employees			
14	Fica Med	=C148*1.45%	=B3-SUM(B4:B12)	
15	Fica	=C15*6.2%	=C14-B13	
16				

Callouts and instructions:

- Enter the Adjusted Gross Payroll from Pro Forma PAI601**: Points to cell B3.
- Enter total for deductions that are FICA Exempt**: Points to the range B4:B12.
- If you have an employee that has already reached the Maximum on their FICA deductions Enter here.**: Points to cell B13.
- These should match your subject to wages on the Deduction Register. PAI681S**: Points to cell B15.

## Balance Federal "Subject to" Wages

The screenshot shows the 'Federal Proforma Balance Sheet' in Microsoft Excel. The worksheet contains the following data:

	A	B	C
1	<b>Federal Proforma Balance Sheet</b>		
2			
3	Adjusted Gross Payroll		
4	AHP		
5	Flex C		
6	Flex M		
7	Mayo		
8	Mayo L		
9	TSA		
10	TSA 1		
11	RET		
12			
13		=B3-SUM(B4:B9)	Subject To wages
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			

Callouts and instructions:

- Enter the Adjusted Gross Payroll from Proforma PAI601**: Points to cell B3.
- Enter total for deductions that are Tax Exempt**: Points to the range B4:B9.
- This should match your subject to wages on the Deduction Register. PAI681S**: Points to cell B13.